

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6962	7	<b>0.1</b>
<b>NZX 50</b>	11674	-87	<b>-0.7</b>
<b>DJIA Futures</b>	29044	0	0.0
<b>S&amp;P 500 Futures</b>	3326	0	0.0
<b>NASDAQ Futures</b>	9410	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade with new China trade figures in hand, and further key statistics due today from China, as the international impacts of the coronavirus continue to influence international economic growth and commodities demand commentary.

**Regionally**, post-ASX trade Friday, **China** reported a \$US39.16B January **trade surplus**, following \$US47.21B for December 2019.

Exports rose 9.1%, against 7.9% in December, and expectations of a 4.8% decline.

Imports fell 1.5% after a 16.5% December increase and against forecasts of a 6% fall.

In addition, China estimated \$US3.088T in **foreign exchange reserves**, against \$US3.108T at the end of December.

**Today, China** is expected to report January **CPI and producer prices 12.30pm AEDT**.

January new lending and foreign direct investment (FDI) are also anticipated anytime from today.

**Locally** today, several large-cap stocks report earnings as reporting season warms.

In overnight Friday commodities trade, **oil** again closed lower for the week on another sessional fall.

US **gold** futures (CME April) settled slightly higher.

**Iron ore** (Nymex CFR China, 62% Fe) was pushed higher.

LME (3mth evening) **copper** and **aluminium** swung lower. **Nickel** fell further.

The **\$A** traded below US66.75c after falling to US66.95c early Friday evening, and headed yet lower this morning.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	29103	-277	<b>-0.9</b>
<b>S&amp;P 500</b>	3328	-18	<b>-0.5</b>
<b>NASDAQ</b>	9521	-52	<b>-0.5</b>
<b>FTSE 100</b>	7467	-38	<b>-0.5</b>
<b>DAX 30</b>	13514	-61	<b>-0.5</b>
<b>Shanghai Comp</b>	2876	9	<b>0.3</b>

**China – CPI and PPI – 12.30pm AEDT**

## Today's Stock Watch

### Boral Ltd (📈 **BLD**)

Teleconference scheduled for 10.30am AEDT, after this morning reporting the results, and financial impacts of, an investigation into financial misreporting by the company's North American Windows business.

BLD will pay a 9.5c, 50%-franked interim dividend.

### Aurizon Holdings (AZJ)

51% higher, \$343M interim NPAT.

5% higher, \$1.53B revenue.

13.7c, 70%-franked interim dividend, up 20%.

### GPT Group (📈 **GPT**)

39.4% lower, \$880.0M full year NPAT.

27.1% lower, \$1.38B income.

13.37c previously declared interim distribution.

\$5.80 NTA, against \$5.58.

### JB Hi-Fi (JBH)

6.55% higher, \$170.6M interim NPAT.

3.94% higher, \$3.995B revenue.

8.8% higher, 99c fully franked interim dividend.

39c NTA, against 9c.

### Charter Hall Long Wale REIT (CLW)

\$80.54M interim NPAT, against \$26.27M for 1H FY 2019.

\$59.61M revenue, against \$35.54M.

14c total interim dividends, against 12.90c.

\$4.52 NTA, against \$4.09.

### Praemium Ltd (PPS)

122% higher, \$1.41M interim NPAT.

5% higher, \$23.13M revenue. 2.6c NTA, against 3.1c.

### Zoono Group (ZNO)

Exclusive five-year anti-microbial products distribution agreement secured with Beijing Youmeng Technology & Development, specifically for the childcare and hotel groups.

### FlexiGroup Ltd (FXL)

Launching the buy now 'everywhere' pay later service bundll, via Mastercard, with bundll downloads available from the App and Google Play stores. FXL settled at \$1.85 Friday, after closing out the previous week at \$2.10.

## Resources

### Alpha HPA (A4N) / Orica Australia (ORI)

A4N has secured a MoU with ORI regarding volumes and pricing for two reagents and offtake of by-product from the HPA First project.

**Overseas Markets Commentary**

Major European and US equities markets mostly headed lower from opening overnight Friday, amid varying commentary on the likely severity and longevity of international economic impacts from coronavirus, and with Germany reporting some disappointing economic indicators.

For its part, the **US** Federal Reserve presented its six-monthly monetary policy report to Congress, noting the domestic economic outlook was at risk from coronavirus impacts.

S&P Global Ratings revised its prediction for China's 2020 GDP growth from 5.7% to 5.0%.

US January employment figures included the creation of 225,000 jobs, following forecasts of ~160,000, and December's 147,000 new jobs.

Average hourly earnings notably grew 3.1% year-on-year, after falling to 3.0% in December. For the month earnings rose 0.2%, following December's 0.1% gain.

Unemployment rose 0.1% to 3.6%, with the participation rate increasing by 0.2% to 63.4%.

In the meantime, the overall reported jobs created for April 2018 – March 2019 was reduced by 514,000, the largest amount for a similar period since 2009.

Also overnight Friday, US December wholesale inventories declined 0.2% after rising 0.1% during November.

December consumer credit change was estimated at \$US22.06B, from \$US11.81B for November.

Across the Atlantic, **Germany's** December trade statistics included a €15.2B trade surplus, against €18.6B for November.

Seasonally adjusted, exports rose 0.1% and imports slipped 0.7%, following respective 2.2% and 0.5% falls during November.

December **industrial production** tumbled 3.5% for the month, after rising 1.1% in November.

**Tonight** in the **US**, a January consumer inflation expectations report is due.

Companies scheduled to report **earnings** include: Allergan, Brookfield Infrastructure, Loews and Mitsui Engineering.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1573.4</b>	oz	3.4	<b>0.2</b>
<b>Silver (NY) (Mar)</b>	<b>17.692</b>	oz	-0.126	<b>-0.7</b>
<b>Gold (LON) 6 Feb</b>	<b>1563</b>	oz		
<b>Platinum</b>	<b>966</b>	oz	4	<b>0.4</b>
<b>WTI Crude (Mar)</b>	<b>50.32</b>	bbl	-0.63	<b>-1.2</b>
<b>Brent Crude (Apr)</b>	<b>54.47</b>	bbl	-0.46	<b>-0.8</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>81.65</b>	t	0.69	<b>0.9</b>
<b>Copper (LME,3mth,PM)</b>	<b>5669</b>	t	-77	<b>-1.3</b>
<b>Nickel</b>	<b>12830</b>	t	-285	<b>-2.2</b>
<b>Aluminium</b>	<b>1720</b>	t	-20	<b>-1.2</b>
<b>Lead</b>	<b>1812</b>	t	-37	<b>-2.0</b>
<b>Zinc</b>	<b>2158</b>	t	-52	<b>-2.4</b>
<b>Tin</b>	<b>16290</b>	t	-405	<b>-2.4</b>

**Pre-Open Announcements****WAM Capital Ltd (\* WAM)**

176.9% higher, \$70.35M interim NPAT.  
191.6% higher, \$118.82M revenue.  
Flat, 7.75c fully franked interim dividend.  
\$1.89 NTA, against \$1.80.

**Platinum Asset Management (\* PTM)**

\$24.65M FUM as at 31 January, against \$25.12M at the end of December 2019.

**Australian Foundation Investment Company (\* AFI)**

Top-25 investments as at 31 January lodged post-trade Friday.  
Overall investment list by sector, highlighting a 19.2% holding in banks and 15.9% in industrials, also lodged.

**Contact Energy (CEN)**

40% lower, \$NZ69M interim NPAT, on a continuing operations basis, taking account of the 30 November 2018 sale of Rockgas LPG.

Otherwise, due to the \$NZ172M Rockgas sale gain and \$NZ10M Rockgas profit reported for 1H FY 2019, NPAT dropped 79%.

Flat, NZ16c interim dividend.

\$NZ.11B revenue, against \$NZ1.30B.

In addition, CEN is reporting this morning that OMV New Zealand will supply 37PJ of gas from 2021 through 2025, plus at least 6.3PJ of Maui gas during 2021.

CEN has also secured 3.6PJ of gas, for delivery this year from another supplier.

**Wellness & Beauty Solutions (\* WNB)**

Chemist Warehouse will sell WNB's TANNED product.

**Splitit Payments (\* SPT)**

Merchant agreement secured with US-headquartered online furniture retailer Resident Home, whereby SPT's instalment payments capability will be offered via Resident's NectarSleep.com.

**GR Engineering Services (\* GNG) / Galena Mining (G1A)**

GNG has conditionally secured a \$74M EPC contract for a 1.2Mtpa lead sulphide flotation process facility and infrastructure for G1A's Abra base metals project, WA.

The contract remains conditional on project financial close.

**Osprey Medical (\* OSP)**

The (United Kingdom) National Institute of Health & Care Excellence has published a positive briefing on OSP's DyeVert. Details lodged this morning.

**Funtastic Ltd (FUN)**

FUN has ended the Thinkway Toys contract, but is still finalising terms.

FUN expects to forfeit \$1M - \$1.5M in revenue from the early termination.

The contract was due to extend to December 2021.



## Commodities Commentary

**Oil** – prices recorded a fifth consecutive week of lower settlements overnight Friday, following the OPEC+ technical committee recommendation to further cut output by a daily 600,000bbl when the current production agreement expires at the end of March.

Friday, OPEC+ member Russia confirmed it needed time to assess the recommendation and situation, but that it expected 2020 international demand would fall 150,000bbl/d – 200,000bbl/d due to the coronavirus.

This past week, OPEC+ discussed market stability in light of the coronavirus, with a view to ascertaining short-medium term demand. OPEC and OPEC+ oil ministers are scheduled to meet 5 – 6 March, but some industry onlookers have suggested the meetings could be brought forward.

A media survey, published Friday, estimated OPEC January crude output had fallen 470,000bbl/d during January, to 29.08MMbbl/d.

Yesterday, Iraqi company Basra Oil Co revealed it will slash production from the Nahr Bin Omar oil field due to pollution and gas emissions concerns

A US petroleum drill rig report, also released overnight Friday, included one fewer operational oil rig.

WTI settled 2.4% lower for the week, and Brent down 3.8%, after earlier in the week being pushed into bear territory.

**Gold** – overnight Friday trade was pushed and pulled by global economic growth uncertainties, and better-than-anticipated US January employment figures, ahead of some key data and events this coming week

A smattering of GDP and CPI readings, plus the US Federal Reserve chair's testimony to parliamentary committees, are likely to prove influential on at least some gold trade this week.

**Base metals** – overnight Friday trade was influenced by a mix of coronavirus-related reports and China's January trade statistics.

Reports emerged Friday that the Guangxi Nanguo copper smelter was declaring force majeure regarding copper concentrate deliveries, underscoring the impacts of the coronavirus.

Further, the China Nonferrous Metals Industry Association ventured, overall nonferrous production would likely fall by a minimum 10% during February. The association anticipated output would recover during the June quarter, however.

Meanwhile, Mitsubishi Materials Corp revealed a \$US236M purchase of 30% of the Mantoverde copper project, Chile, with a view to boosting smelter concentrate supply.

China's January trade statistics, reported Friday, included a \$US39.16B January trade surplus, following \$US47.21B for December. Exports rose 9.1% (+7.9%) and imports fell 1.5% (+16.5%).

January foreign reserves, also revealed Friday, declined from \$US3.108 trillion to \$US3.088 trillion.

In other news Friday, **Chile** reported January copper export sales had risen 8.3% to \$US2.716B.

Norsk Hydro lodged December quarter earnings that undershot expectations, and forecast international aluminium supply to exceed that of demand during 2020.

In addition, FUN has revised a secured loan agreement, boosting total funding to \$6M at 12%pa.

The loan is with FUN's largest shareholder, Jaszac Investments. Jaszac holds ~18.18% of FUN.

## Resources

### Rio Tinto (RIO)

Two additional proposed 7 May AGM resolutions, submitted by RIO shareholders, lodged post-trade Friday.

### Alkane Resources (ALK)

ALK has appointed David Woodall as MD of company subsidiary and NSW Dubbo multi-mineral project developer Australian Strategic Materials.

Mr Woodall was most recently Superior Lake Resources (ASX: SUP) CEO.

### Red 5 (RED)

The Darlot gold project resource is estimated at 10.8Mt @ 3.5g/t Au, for 1.2Moz of gold, representing a 16% increase on the 30 June calculation.

Reserves are calculated at 2.6Mt @ 3.3g/t Au, for 275,000oz of gold, 26% more than at 30 June 2019.

### Metalicity Ltd (MCT)

MCT is selling for \$A200,000 a 1.0% NSR WA lithium royalty which had been retained when the company sold three WA lithium holdings.

MCT will use the funds to further explore and develop the WA Kookynie gold project.

### Pensana Rare Earths Plc (\* PM8)

Pensana Metals Ltd will commence ASX trade, following a scheme whereby the company moved to the UK, this coming **Wednesday** (12 February) on Group 4 market open.

152.97M quoted shares/CDIs.

Updated top shareholders list lodged post-trade Friday.

## Energy

### Yancoal Australia (YAL)

Anticipating a Watagan Mining Company impairment to be recorded within the company's 2019 results.

An assessment is ongoing.

Planning to release full year results 27 February.

## Trading Halts

Company	Code	Resuming
Arowana International	AWN	10 Feb
Dropsuite Ltd	DSE	10 Feb
Gulf Manganese Corporation	GMC	10 Feb
Apollo Consolidated	AOP	11 Feb
BuildingIQ. Inc	BIQ	11 Feb
Cassini Resources	CZI	11 Feb
Fiji Kava	FIJ	11 Feb
Southern Gold	SAU	11 Feb



LME zinc inventories were calculated at their highest in ~four months.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6673	0.0007	0.10
<b>EUR – USD</b>	1.0944	-0.0002	-0.02

### US Data Tonight

Consumer inflation expectations	Jan
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### Other Overseas Data Today & Tonight

<b>China</b>	CPI	Jan
China	PPI	Jan
China	Foreign direct investment (FDI)	Jan
China	New lending	Jan
<b>Japan</b>	Eco watchers survey (4pm AEDT)	Jan
<b>Euro zone</b>	Sentix investor confidence	Feb

### Need More Information?

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Spectrum Metals	SPX	11 Feb
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### Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	20 Jan
Consolidated Tin Mines	CSD	4 Feb
Dacian Gold	DCN	3 Feb
Identitii Ltd	ID8	5 Feb
Integrated Green Energy Solutions	IGE	20 Jan
Lake Resources	LKE	22 Jan
Matador Mining	MZZ	5 Feb
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan
Speedcast International	SDA	5 Feb
Ziptel Ltd	ZIP	28 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MLT	Wed	9	100	3.86
RMD	Wed	4.05	0	0.46
IGO	Thu	6	0	1.68
PL8	Thu	0.5	100	5.03
QMS	Thu	1.3	100	1.79
ARG	Fri	16	100	3.69
GUD	Fri	25	100	4.43

### Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>AZJ</b>	Interim (w/cast briefing 10.30am)
	<b>CLW</b>	Interim
	<b>GPT</b>	Full year
	<b>JBH</b>	Interim
	<b>PPS</b>	Interim
<b>Tomorrow</b>	BPT	Interim
	CGF	Interim
	NST	Interim (w/cast tele 9am AEDT)
	SUN	Interim
	TCL	Interim
<b>Wed</b>	AMC	Interim
	BAP	Interim (tele 9.15am)
	CBA	Interim
	CPU	Interim
	CSL	Interim (teleconf 11am)
	DOW	Interim
	ELO	Interim



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	EVN	Interim
	IEL	Interim
	IAG	Interim
	JHX	Dec Q
	MCR	Interim
	MIN	Interim
	ORA	Interim
	TGR	Interim (teleconf 4pm)
<b>Thu</b>	AGL	Interim
	AMP	Full year
	ASX	Interim
	BRG	Interim
	GMG	Interim
	MFG	Interim
	NAB	Dec Q
	NCM	Interim
	NST	Interim
	PME	Interim
	S32	Interim
	SKC	Interim (teleconf 10am)
	TLS	Interim
	WPL	Interim
<b>Fri</b>	BBN	Interim (teleconf 9.15am)
	CCX	Interim
	IPH	Interim
	MSB	Interim
	PXS	Interim
	SFC	Interim